Testimony of Christopher A. Wolf, Ph.D.
before the United States Special Senate Committee on Aging
Hearing on "*The Aging Farm Workforce: America's Vanishing Family Farms*"

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Chairman Scott, Ranking Member Gillibrand, and Members of the Committee, thank you for inviting me to be part of this hearing. I currently serve as the E.V. Baker Professor of Agricultural Economics in the Charles H. Dyson School of Applied Economics and Management and the College of Agriculture and Life Sciences at Cornell University where I have been a faculty member since 2019. I have a three-way split that includes research, extension and teaching. My research and extension program focuses on dairy markets and policy as well as dairy farm finance and business management where I provide information and analysis and decision-making aids for industry stakeholders and policymakers. I have taught Farm Business Management and Agricultural Finance classes for the past 25 years. I also serve as the Director of Land Grant Programs and Faculty Director of the NY FarmNet program.

My home state of New York is the fifth largest producer of milk is in the midst of $2.5 billion in new, private sector investment in dairy manufacturing. To enable this growth, Cornell is focused on helping ensure our family farms thrive, bringing the next generation back to the farm, increasing production in a sustainable way, and training both college bound and non-college bound students for dairy processing careers in the primarily rural areas where dairy manufacturing is locating. Cornell's College of Agriculture and Life Sciences and Cooperative Extension Service are top ranked. At Cornell, we are proud to be in the Ivy League but, unique among the Ivy League Universities, also situated in the public system affiliated with the State University of New York as a contract college.

It has become conventional wisdom that first, farmer age is increasing and second, this is a problem for the long-term viability of food and fiber production in the US. Not surprisingly, there is a great deal of nuance to the actual statistics and industry implications. It is undeniably correct that average (and median) farm operator age has been increasing over time. However, it is also true that relative to the U.S. population, U.S. farmers have become slightly younger (i.e., the average/median U.S. age has increased relatively more than the average farmer age). There are a number of explanations for the increased age of U.S. farmers. One is that there are an increasing share of commercial farms that are multi-generational in nature. Rather than the kids (or grandkids) operating separate farms, they return to the operation to become owners and enable economies of size in production and management. In this case, the management team has a younger average age that is masked by considering only the primary operator. Another explanation is that the changing role of farmers from being a combination of management and labor to primarily managing the labor and capital enables a relatively older person to run a farm. Modern agricultural production tends to be quite capital intensive and that capital accumulation occurs over that manager's lifetime. The result is that the average farm age will be older. Finally, given that the USDA definition of a farm is "*any place from which $1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the year*" there are a large percentage of farms that are operated as part time businesses or hobbies (and there is nothing wrong with that). This definition also means that if someone retires to some rural acreage, they will be included as a farm and increase the average farmer age.

This is not meant to imply that there are not issues with farm viability that are related to increasing farmer age. These include hurdles that limit the entry of young people to farming and the need to facilitate the transfer of farm assets to the next generation while providing the resources necessary for the retirement of the older generation. Family-owned farms, which are 96 percent of U.S. farms (2022 Ag Census, NASS), are closely held businesses. The farm business tends to be of the size that meets the management constraints and income needs of the family owner-operators. Because of the capital requirements, the farm business assets tend to be the retirement plan for many farmers. While many farmers hope to pass the business on to the next generation, they also need to recover the equity value to finance retirement. Three areas must be transferred to maintain the farm business across generations. First, income which can be transferred by paying a wage, bonuses, and profit sharing. Second, ownership which can be transferred by allowing the next generation to gradually acquire property. Business organization options such as corporations or LLC can facilitate transfer of farm business assets which can be sold or gifted. Finally, management can be transferred gradually through responsibilities for certain enterprises or management areas.

In contrast to the 1980's, there is currently a great deal of energy and opportunity in U.S. agriculture for new entrants in farming as well as related industries from technical service providers to food retailers. According to the 2022 Census of Agriculture (USDA-NASS, 2024), in 2022 young producers (those under the age of 35), accounted for 9% of the country's 3.37 million producers. Eighty-one percent of young producers started farming in the last 10 years, and 64% reported having a primary occupation other than farming. Young producer operated farms accounted for 15% of U.S. agriculture sales and 12% of U.S. farmland (Census of Agriculture). Attracting the next generation of farm business owner/managers means making the profession attractive in terms of potential income and rural amenities including availability and proximity to childcare and healthcare. Some of the impediments to successful inter-generational farm transfer—for both the older and the younger generations—relate to information gaps. This is where land-grant extension programs like Cornell Cooperative Extension can be a valuable partner.

NY FarmNet is a program that was created in 1986 in response to the farm financial crisis. The program operates a toll-free number that responds to requests with a team of financial and mental health professionals to meet with farm families at no cost. Including mental health professionals was motivated by the alarming fact that farmers face higher rates of depression and suicide than the general population. For example, male farmers have a suicide rate 3.5 times higher than the national average (National Rural Health Association). Financial stress is one of the primary contributors to the depression and suicide rate. Additionally, mental health stigma and lack of access to care are major barriers.

NY FarmNet receives about 700 calls a year resulting in 400 new cases being opened annually. The remaining calls are referred for technical, accounting, or legal assistance. The stressors that FarmNet consistently finds in the farm population are financial as well as family issues. Sources of financial stress include price uncertainty, labor cost and availability, capital costs, land access, and estate and succession planning. Family-related farm stressors include health insurance, childcare, eldercare, and drug and alcohol abuse. Agriculture ranks among the most dangerous industries in the U.S. Occupational hazards such as pesticide exposure, machinery accidents, and musculoskeletal injuries are common. Healthcare related issues relate to not just cost but also availability and proximity. Transportation barriers affect access to care, especially for older farmers and those in remote areas. Farmers often report delaying or avoiding healthcare due to cost, distance, or time constraints. Many farmers are underinsured or uninsured, especially those who are self-employed or operate small family farms. Telehealth is a promising development for farmers in remote areas but broadband access remains limited in many rural areas, hindering telehealth expansion. As of 2024, 22% of rural Americans still lacked reliable high-speed internet.

Farm business succession is a key source of financial and family-related stress on farms and FarmNet consultants work with client families regularly on this issue. NY FarmNet and Cornell Cooperative Extension offer educational workshops and materials on farm business succession and estate transfer. In 2024, FarmNet assisted farm businesses that represented over

$13 million in revenue and 600 employees keeping more than 180,000 acres actively in farming. 90% of FarmNet clients viewed the service as valuable and would recommend it to others. FarmNet experience is that farm managers who participate in programs aimed at estate planning and farm business transfer are likely to engage with attorneys and accountants to complete a successful inter-generational transfer. We believe that FarmNet is a model that would be useful across the country. Funding for land-grant applied research and extension programs can provide valuable assistance to help ensure successful farm business transitions and a healthy U.S. agricultural sector.